

AMENDED IN ASSEMBLY SEPTEMBER 4, 2015

AMENDED IN ASSEMBLY AUGUST 27, 2015

AMENDED IN ASSEMBLY JULY 9, 2015

AMENDED IN SENATE APRIL 28, 2015

AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 501**

---

**Introduced by Senator Wieckowski**

February 26, 2015

---

An act to amend, repeal, and add Section 706.050 of the Code of Civil Procedure, relating to wage garnishment.

LEGISLATIVE COUNSEL'S DIGEST

SB 501, as amended, Wieckowski. Wage garnishment restrictions.

The Wage Garnishment Law prescribes the procedure for withholding an employee's earnings for purposes of paying a debt. The law requires that a levy of execution upon the earnings of an employee be made by service of an earnings withholding order upon the employer. An earnings withholding order is issued by a levying officer upon receiving an application submitted by a judgment creditor, as specified. Existing law prohibits the amount of an individual judgment debtor's weekly disposable earnings subject to levy under an earnings withholding order from exceeding the lesser of 25% of the individual's weekly disposable earnings or the amount by which the individual's disposable earnings for the week exceed 40 times the state minimum hourly wage in effect at the time the earnings are payable, as specified, unless an exception applies. An employer is required, except as otherwise provided by statute, to withhold the amounts required by an earnings withholding

order from all earnings of the employee payable for any pay period of the employee which ends during the withholding period.

This bill would, commencing July 1, 2016, reduce the prohibited amount of an individual judgment debtor's weekly disposable earnings subject to levy under an earnings withholding order from exceeding the lesser of 25% of the individual's weekly disposable earnings or ~~40%~~ 50% of the amount by which the individual's disposable earnings for the week exceed 40 times the state minimum hourly wage, or applicable local minimum hourly wage, if higher, in effect at the time the earnings are payable.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 706.050 of the Code of Civil Procedure  
2 is amended to read:

3 706.050. (a) Except as otherwise provided in this chapter, the  
4 maximum amount of disposable earnings of an individual judgment  
5 debtor for any workweek that is subject to levy under an earnings  
6 withholding order shall not exceed the lesser of the following:

7 (1) Twenty-five percent of the individual's disposable earnings  
8 for that week.

9 (2) The amount by which the individual's disposable earnings  
10 for that week exceed 40 times the state minimum hourly wage in  
11 effect at the time the earnings are payable.

12 (b) For any pay period other than weekly, the following  
13 multipliers shall be used to determine the maximum amount of  
14 disposable earnings subject to levy under an earnings withholding  
15 order that is proportional in effect to the calculation described in  
16 paragraph (2) of subdivision (a), except as specified in paragraph  
17 (1):

18 (1) For a daily pay period, the amounts shall be identical to the  
19 amounts described in subdivision (a).

20 (2) For a biweekly pay period, multiply the state hourly  
21 minimum wage by 80 work hours.

22 (3) For a semimonthly pay period, multiply the state hourly  
23 minimum wage by  $86\frac{2}{3}$  work hours.

24 (4) For a monthly pay period, multiply the state hourly minimum  
25 wage by  $173\frac{1}{3}$  work hours.

1 (c) This section shall become inoperative on July 1, 2016, and,  
2 as of January 1, 2017, is repealed, unless a later enacted statute,  
3 that becomes operative on or before January 1, 2017, deletes or  
4 extends the dates on which it becomes inoperative and is repealed.

5 SEC. 2. Section 706.050 is added to the Code of Civil  
6 Procedure, to read:

7 706.050. (a) Except as otherwise provided in this chapter, the  
8 maximum amount of disposable earnings of an individual judgment  
9 debtor for any workweek that is subject to levy under an earnings  
10 withholding order shall not exceed the lesser of the following:

11 (1) Twenty-five percent of the individual's disposable earnings  
12 for that week.

13 (2) ~~Forty-Fifty~~ percent of the amount by which the individual's  
14 disposable earnings for that week exceed 40 times the state  
15 minimum hourly wage in effect at the time the earnings are  
16 payable. If a judgment debtor works in a location where the local  
17 minimum hourly wage is greater than the state minimum hourly  
18 wage, the local minimum hourly wage in effect at the time the  
19 earnings are payable shall be used for the calculation made pursuant  
20 to this paragraph.

21 (b) For any pay period other than weekly, the following  
22 multipliers shall be used to determine the maximum amount of  
23 disposable earnings subject to levy under an earnings withholding  
24 order that is proportional in effect to the calculation described in  
25 paragraph (2) of subdivision (a), except as specified in paragraph  
26 (1):

27 (1) For a daily pay period, the amounts shall be identical to the  
28 amounts described in subdivision (a).

29 (2) For a biweekly pay period, multiply the applicable hourly  
30 minimum wage by 80 work hours.

31 (3) For a semimonthly pay period, multiply the applicable hourly  
32 minimum wage by  $86\frac{2}{3}$  work hours.

33 (4) For a monthly pay period, multiply the applicable hourly  
34 minimum wage by  $173\frac{1}{3}$  work hours.

35 (c) This section shall become operative on July 1, 2016.